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H. R. 5883

To spur rapid and sustainable growth in renewable electricity generation in the United States through priority interconnection and renewable energy payments, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 27, 2010

Mr. INSLEE (for himself, Mr. DELAHUNT, Mr. HONDA, Ms. MCCOLLUM, and Mr. GRIJALVA) introduced the following bill; which was referred to the Committee on Energy and Commerce, and in addition to the Committees on Science and Technology and Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To spur rapid and sustainable growth in renewable electricity generation in the United States through priority interconnection and renewable energy payments, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Renewable Energy
5 Jobs and Security Act”.

1 **SEC. 2. FINDINGS.**

2 The Congress finds the following:

3 (1) Electric energy produced from renewable re-
4 sources helps to reduce greenhouse gas emissions,
5 limits emissions of other pollutants regulated pursu-
6 ant to the Clean Air Act, enhances national energy
7 security, and provides substantial economic benefits.

8 (2) The need exists for the rapid expansion of
9 low and zero carbon-emitting electric energy genera-
10 tion at a far greater pace than current levels.

11 (3) Distributed electric energy generation is en-
12 ergy efficient, promotes electric grid stability, and
13 reduces transmission system congestion during peri-
14 ods of peak demand.

15 (4) A transition toward electric energy genera-
16 tion from renewable energy sources brings economic
17 benefit to consumers by reducing their exposure to
18 increasingly volatile fossil fuel markets.

19 (5) Renewable energy payments, also known as
20 “feed-in tariffs”, are a proven mechanism for accel-
21 erating the development of renewable energy in grid-
22 connected areas. Feed-in-tariff programs are also
23 complementary to Renewable Energy Standards. A
24 renewable energy payment policy is intended to
25 make it easier for a State to meet its applicable Re-
26 newable Energy Standard.

1 (6) By guaranteeing access to the electric grid
2 and setting a favorable price per unit of power, feed-
3 in tariffs ensure that renewable energy is a sound
4 long-term investment for companies, for industry,
5 and for individuals, and thereby creates a strong
6 economic incentive for investing in renewable energy
7 technologies.

8 (7) The International Energy Agency, the Eu-
9 ropean Commission, and the United Kingdom's
10 Stern Review have determined that feed-in tariff
11 policies in Germany, Spain, France, and other Euro-
12 pean Union countries have achieved larger renewable
13 energy deployment compared to policies in other Eu-
14 ropean Union countries.

15 (8) A renewable energy payment may capture
16 cost reduction due to technology efficiencies and in-
17 novation (degression).

18 **SEC. 3. PURPOSES.**

19 The purposes of this Act are to—

20 (1) enable the rapid and sustainable develop-
21 ment of distributed renewable electric energy genera-
22 tion in the United States, where the quality of a re-
23 newable energy resource may be naturally variable;

24 (2) stimulate the development of new jobs and
25 industry in the United States;

1 (3) create a stable and secure market for cap-
2 ital investments in renewable energy technologies;

3 (4) reduce air and water pollution and related
4 health problems and health-care expenditures;

5 (5) help prevent greenhouse gas concentrations
6 in the atmosphere from reaching levels that would
7 cause dangerous global temperature increases of
8 more than 2 degrees Celsius above pre-industrial lev-
9 els;

10 (6) protect natural resources in the United
11 States;

12 (7) allow all citizens to participate in renewable
13 electric energy generation;

14 (8) reduce the price volatility and long-term
15 costs of electric energy;

16 (9) place the United States at the forefront of
17 the global renewable energy revolution;

18 (10) reduce the dependence of the United
19 States on foreign sources of energy;

20 (11) achieve these purposes using a financing
21 mechanism that protects consumers from excessive
22 or volatile electric bills; and

23 (12) develop renewable energy sources to sup-
24 port new electric transportation options.

1 **SEC. 4. DEFINITIONS.**

2 Section 3 of the Federal Power Act (16 U.S.C. 796)
3 is amended by adding the following new paragraphs at the
4 end:

5 “(30) RENEWABLE ENERGY.—The term ‘renew-
6 able energy’ means energy generated from—

7 “(A) solar thermal, solar photovoltaic,
8 wind, geothermal or marine and hydrokinetic
9 renewable energy;

10 “(B) renewable biomass (as defined in sec-
11 tion 9001 of the Farm Security and Rural In-
12 vestment Act of 2002);

13 “(C) landfill gas;

14 “(D) biogas derived from farm waste; or

15 “(E) qualified hydropower.

16 “(31) SOLAR THERMAL.—The term ‘solar ther-
17 mal’ means energy derived by concentrating solar
18 energy onto a collector which then transfers that en-
19 ergy to a working fluid to use, directly or indirectly,
20 to operate a steam turbine system or Stirling engine
21 that generates electric energy.

22 “(32) GEOTHERMAL ENERGY.—The term ‘geo-
23 thermal energy’ means energy derived from a geo-
24 thermal deposit (within the meaning of section
25 613(e)(2) of the Internal Revenue Code of 1986).

1 “(33) MARINE AND HYDROKINETIC RENEW-
2 ABLE ENERGY.—The term ‘marine and hydrokinetic
3 renewable energy’ means energy derived from—

4 “(A) waves, tides, and currents in oceans,
5 estuaries, and tidal areas;

6 “(B) free flowing water in rivers, lakes,
7 and streams;

8 “(C) free flowing water in an irrigation
9 system, canal, or other man-made channel, in-
10 cluding projects that utilize nonmechanical
11 structures to accelerate the flow of water for
12 electric power production purposes; or

13 “(D) differentials in ocean temperature
14 (ocean thermal energy conversion).

15 “(34) RENEWABLE ENERGY FACILITY.—The
16 term ‘renewable energy facility’ means an electric
17 energy generation unit owned and operated by any
18 person (including a utility) that—

19 “(A) is placed in service after December
20 31, 2008;

21 “(B) provides electric energy directly to
22 the electric power grid;

23 “(C) uses renewable energy as its primary
24 energy source; and

1 “(D) has a nameplate capacity of not more
2 than 20 megawatts.

3 “(35) NETWORK UPGRADES.—The term ‘net-
4 work upgrades’ means additions or modifications to
5 any system for the transmission or distribution of
6 electric energy to accommodate renewable energy
7 generated by a renewable energy facility and deliv-
8 ered to the system.

9 “(36) QUALIFIED HYDROPOWER.—(A) The
10 term ‘qualified hydropower’ means—

11 “(i) incremental hydropower genera-
12 tion that is achieved from increased effi-
13 ciency or additions of capacity made on or
14 after January 1, 2009, at a hydroelectric
15 facility that was placed in service before
16 that date; or

17 “(ii) additions of capacity made on or
18 after January 1, 2009, at an existing non-
19 hydroelectric dam, if—

20 “(I) the hydroelectric project in-
21 stalled on the nonhydroelectric dam is
22 licensed by the Commission and meets
23 all other applicable environmental, li-
24 censing, and regulatory requirements,

1 including applicable fish passage re-
2 quirements;

3 “(II) the nonhydroelectric dam
4 was placed in service before the date
5 of the enactment of this paragraph
6 and operated for flood control, naviga-
7 tion, or water supply purposes and did
8 not produce hydroelectric power be-
9 fore the date of the enactment of this
10 paragraph; and

11 “(III) the hydroelectric project is
12 operated so that the water surface ele-
13 vation at any given location and time
14 that would have occurred in the ab-
15 sence of the hydroelectric project is
16 maintained, subject to any license re-
17 quirements imposed under applicable
18 law that change the water surface ele-
19 vation for the purpose of improving
20 the environmental quality of the af-
21 fected waterway.

22 “(B) The Commission shall certify if a hydro-
23 electric project licensed at a nonhydroelectric dam
24 meets the criteria described in subparagraph
25 (A)(ii)(III).

1 “(C) Nothing in this paragraph shall affect the
2 standards under which the Commission issues li-
3 censes for and regulates hydropower projects under
4 this Part.

5 “(37) ELECTRIC ENERGY INTENSIVE FACIL-
6 ITY.—The term ‘electric energy intensive facility’
7 means—

8 “(A) any entity that has a annual electric
9 energy usage greater than 10 gigawatt-hours;
10 and

11 “(B) has an electric energy intensity great-
12 er than 8 percent.

13 “(38) ELECTRIC ENERGY INTENSITY.—The
14 term ‘electric energy intensity’ means the ratio of
15 the total costs associated with purchasing electric
16 energy from a utility to the total value of shipments.

17 “(39) TOTAL VALUE OF SHIPMENTS.—The
18 term ‘total value of shipments’ has the meaning
19 given such term by the United States Census Bu-
20 reau in its Annual Survey of Manufacturers.”.

1 **TITLE I—INTERCONNECTION**

2 **SEC. 101. FEDERAL INTERCONNECTION STANDARDS FOR**
3 **RENEWABLE ENERGY FACILITIES.**

4 Part II of the Federal Power Act (16 U.S.C. 824 et
5 seq.) is amended by adding the following new section after
6 section 210:

7 **“SEC. 210A. EXPEDITED FEDERAL INTERCONNECTION**
8 **STANDARDS FOR RENEWABLE ENERGY FA-**
9 **CILITIES.**

10 “(a) FEDERAL STANDARDS.—In order to encourage
11 the use of renewable energy facilities and to ensure the
12 safety and reliability of renewable energy facilities and
13 transmission systems interconnected with such facilities,
14 not later than one year after the date of enactment of this
15 section, the Commission shall propose rules establishing
16 standards for the physical connection between—

17 “(1) renewable energy facilities; and

18 “(2) transmission facilities of transmitting utili-
19 ties subject to the jurisdiction of the Commission
20 under this Part.

21 “(b) EXPEDITED PROCEDURES.—The standards
22 under this section shall include a separate expedited proce-
23 dure, consisting of an interconnection request, simplified
24 procedures, and applicable terms and conditions, for re-
25 newable energy facilities up to 10 kilowatts that use an

1 inverter to interconnect to transmission facilities. The
2 standards under this section shall also include a separate
3 procedure that expedites interconnection for renewable en-
4 ergy facilities up to 2000 kilowatts. The Commission shall
5 review its current Small Generator Interconnection Proce-
6 dure with an objective of further expediting and simpli-
7 fying the procedures. In designing such expedited proce-
8 dures, the Commission shall use best available Federal,
9 State, and local standards.

10 “(c) FINAL RULE.—Not later than 90 days after the
11 date of enactment of this section, and after notice and op-
12 portunity for comment, the Commission shall promulgate,
13 and from time-to-time thereafter revise, final standards
14 under this section. Such revisions shall take into account
15 changes in the underlying standards and technologies.
16 Such revisions shall be made available to State regulatory
17 authorities to consider prior to final promulgation.

18 “(d) SAFETY, RELIABILITY, PERFORMANCE, AND
19 COST.—The standards under this section shall establish
20 measures for the safety and reliability of affected equip-
21 ment and transmission systems as may be appropriate.
22 Such standards shall be consistent with the reliability
23 standards under section 215 and all applicable safety and
24 performance standards established by the national elec-
25 trical code, the Institute of Electrical and Electronics En-

1 gineers, Underwriters Laboratories, or the American Na-
2 tional Standards Institute, and the North American Elec-
3 tric Reliability Council, yet constitute the minimum cost
4 and technical burdens to the interconnecting renewable en-
5 ergy facility as the Commission shall, by rule, prescribe.
6 Standards for the purchase of electric energy from a re-
7 newable energy facility shall also ensure that such pur-
8 chases do not affect the reliability of any person pur-
9 chasing electric energy from the renewable energy facility.

10 “(e) ADDITIONAL CHARGES.—The standards under
11 this section shall prohibit the imposition of additional
12 charges by the owners or operators of transmission sys-
13 tems for equipment or services for interconnection that are
14 additional to those necessary to achieve the safety and per-
15 formance standards under subsection (d).

16 “(f) GRID INTERCONNECTION-RELATED NETWORK
17 UPGRADES.—The standards under this section shall pro-
18 vide the following:

19 “(1) The obligation to provide priority inter-
20 connection for renewable energy facilities (as re-
21 quired under subsection (g)) shall apply to:

22 “(A) Any transmitting utility providing
23 transmission service subject to the jurisdiction
24 of the Commission to electric utilities in a retail

1 service territory that includes the renewable en-
2 ergy facility if—

3 “(i) such transmitting utility is in
4 possession of transmission facilities tech-
5 nically suitable to receive electric energy
6 from the renewable energy facility; and

7 “(ii) there is no other transmission or
8 distribution facility with a technically and
9 economically more suitable connection
10 point.

11 “(B) Transmission facilities shall be
12 deemed to be technically suitable under sub-
13 paragraph (A) even if feeding in the electric en-
14 ergy requires the transmitting utility to up-
15 grade its transmission facilities at a reasonable
16 economic expense and without risk to grid sta-
17 bility, as determined by the Commission. In
18 such a case, the transmitting utility shall up-
19 grade its transmission facilities without undue
20 delay, if so requested by the owner or operator
21 of an interconnecting renewable energy facility.

22 “(C) The obligation to upgrade the trans-
23 mission facilities shall apply to all technical fa-
24 cilities required for operating the transmission

1 system and to all connecting installations which
2 are owned by the transmitting utility.

3 “(2) EXCEPTIONS.—The standards under this
4 section shall not require any transmitting utility to
5 interconnect with renewable energy facilities or to
6 provide priority access to available transfer capa-
7 bility on the transmission system if the transmitting
8 utility is already committed through long-term con-
9 tracts to full capacity of its load and such utility has
10 no ability to transmit any new generation from re-
11 newable energy facilities to any other electric utility.

12 “(3) COSTS OF NETWORK UPGRADES.—The
13 standards under this section shall provide that all
14 prudently incurred costs associated with network up-
15 grades to accommodate new renewable energy facili-
16 ties for the purchase and transmission of electric en-
17 ergy produced from renewable energy facilities shall
18 be initially borne by the electric utility or transmit-
19 ting utility. The electric utility or transmitting util-
20 ity shall be reimbursed for such costs through the
21 regional cost sharing mechanism under section 224.

22 “(g) PRIORITY OF ORDERS.—Any renewable energy
23 facility may apply to the Commission for an order requir-
24 ing the interconnection of such facility with the trans-
25 mission system of any transmitting utility in accordance

1 with the standards under this section, and the Commission
2 shall issue such an order after notice and opportunity for
3 hearing in accordance with section 210(b). The Commis-
4 sion shall give priority to the consideration of applications
5 from renewable energy facilities under this section over ap-
6 plications for orders under section 210 and shall ensure
7 that applications by renewable energy facilities are given
8 priority interconnection and priority access to available
9 transfer capability on the transmission system over appli-
10 cations from facilities that are not renewable energy facili-
11 ties.

12 “(h) INTERCONNECTION CLUSTERING.—To facilitate
13 the objectives of subsection (g) relating to interconnection
14 and to reduce backlogs in the interconnection queue, the
15 Commission may consider a clustering approach to the
16 interconnection of electric generation facilities with a
17 nameplate capacity greater than 2 megawatts. Under such
18 interconnection clustering procedures, requests for inter-
19 connection that are placed within a 6-month period may
20 be eligible for concurrent review and interconnection.

21 “(i) RELATIONSHIP TO EXISTING LAW REGARDING
22 INTERCONNECTION.—Except as otherwise provided in this
23 section, nothing in this section affects the application of
24 section 210 of this Part or section 111(d)(15) (relating
25 to interconnection) of the Public Utility Regulatory Poli-

1 cies Act of 1978. Nothing in this section shall be inter-
 2 preted as an expansion of the jurisdiction of the Commis-
 3 sion with respect to the facilities subject to the jurisdiction
 4 of the Commission.

5 “(j) EFFECTIVE DATE.—This section shall take ef-
 6 fect with respect to applications submitted to the Commis-
 7 sion under subsection (g) after the effective date of regula-
 8 tions promulgated under this section.”.

9 **SEC. 102. ADOPTION OF CERTAIN STANDARDS.**

10 (a) INTERCONNECTION NOT SUBJECT TO FEDERAL
 11 POWER ACT JURISDICTION.—Section 113(b) of the Public
 12 Utility Regulatory Policies Act of 1978 (16 U.S.C.
 13 2623(b)) is amended by adding the following at the end
 14 thereof:

15 “(6) INTERCONNECTION STANDARDS.—Each
 16 electric utility shall adopt such standards for the
 17 interconnection with renewable energy facilities as
 18 are necessary as to ensure that renewable energy fa-
 19 cilities are given priority interconnection and priority
 20 access to available capacity on the transmission and
 21 distribution system of such utility over electric en-
 22 ergy from facilities that do not generate electric en-
 23 ergy from renewable energy and permit any renew-
 24 able energy facility to apply to the State regulatory
 25 authority for an order requiring the interconnection

1 of such facility with the system of the electric utility.
 2 Such standards shall be based on the standards pro-
 3 mulgated by the Commission under section 210A of
 4 the Federal Power Act. Such standards shall not af-
 5 fect the application of section 111(d)(15).”.

6 (b) CONFORMING AMENDMENTS.—Section 113 of
 7 such Act is amended by adding the following at the end
 8 of subsection (a):

9 “For purposes of applying this section with respect to the
 10 standard under paragraph (6) of subsection (b), in lieu
 11 of the 2-year period referred to in this subsection there
 12 shall be substituted a period of one year after the date
 13 on which a rule is prescribed or revised by the Commission
 14 under section 210A of the Federal Power Act.”.

15 **TITLE II—RENEWABLE ENERGY** 16 **PAYMENTS**

17 **SEC. 201. RENEWABLE ENERGY PAYMENT STUDY AND RE-** 18 **PORT.**

19 (a) DEFINITIONS.—

20 (1) The term “renewable energy facility” has
 21 the meaning given such term in section 3 of the
 22 Federal Power Act, as amended by section 4 of this
 23 Act.

24 (2) The term “Commission” means the Federal
 25 Energy Regulatory Commission.

1 (b) IN GENERAL.—Not later than 1 year after the
2 date of enactment of this Act, and every 2 years there-
3 after, the Secretary of Energy, acting through the Na-
4 tional Renewable Energy Laboratory, shall transmit to
5 Congress and to the Commission a report that outlines
6 details of the investment market, as it relates to renewable
7 energy project financing, including identification of re-
8 maining barriers to investment and potential policy solu-
9 tions to address such barriers. Additionally, such a report
10 shall include maps of national renewable energy resources
11 and cost assessments for renewable energy facility devel-
12 opment with respect to all available technologies. Such a
13 report may draw from reviews and assessments conducted
14 pursuant to section 201 of the Energy Policy Act of 2005
15 (42 U.S.C. 15851). Such a report shall include each of
16 the following:

17 (1) Maps of renewable energy resource avail-
18 ability based on the best available data and at the
19 highest spatial resolution necessary to help identify
20 the best sites for the development of renewable en-
21 ergy facilities.

22 (2) Recommendations for minimum tariff rates
23 that should be paid during each of the following 2
24 years to renewable energy facility operators to pro-
25 vide for reasonable profits for renewable energy fa-

1 cility owners (with consideration to development
2 costs, including costs of manufacturing, installation,
3 operation, maintenance, taxes, financing, and legal
4 expenses) adjusted by an appropriate annual tariff
5 depression, with consideration of the following:

6 (A) The maps described in paragraph (1).

7 (B) The goal to provide for the profitable
8 development of renewable energy facilities that
9 use available commercialized technologies and
10 operate within regions that, on average, experi-
11 ence the top 30th percentile of renewable en-
12 ergy resource potential in the United States.

13 (C) The best available scientific and elec-
14 tric energy market data, including data made
15 available in the development of the reports
16 under this section.

17 (D) The renewable energy technology mar-
18 ket, including advancements in research, devel-
19 opment, deployment, and innovation.

20 (E) The percentage of renewable power
21 generation for each technology that can be reli-
22 ably accommodated on the electric grid.

23 (3) A description of the system benefits (includ-
24 ing distributed generation risk, avoidance benefits,
25 and reduced distribution and transmission costs) ex-

1 perienced by utilities as a result of entering into a
2 standard contract pursuant to section 210B(e) of
3 the Federal Power Act (as added by section 202 of
4 this Act) or 113(b)(7) of the Public Utilities Regu-
5 latory Policies Act of 1978 (as added by section 202
6 of this Act).

7 (4) Recommendations to the Commission re-
8 garding new renewable energy technologies that may
9 be considered eligible for future power purchase
10 agreements under the rules under section 210B of
11 the Federal Power Act, as added by section 202 of
12 this Act.

13 (5) Other recommendations to the Commission
14 and to State regulatory authorities regarding electric
15 energy reliability, supporting infrastructure (includ-
16 ing smart grid technologies and electric energy stor-
17 age options) technical, economic, legal, or safety con-
18 siderations that may be acted upon in order to bet-
19 ter achieve the purposes of this Act.

20 (6) Any other information that renewable en-
21 ergy facility operators shall, upon request, provide to
22 the Commission, the State regulatory authorities,
23 and the Secretary of Energy (acting through the
24 National Renewable Energy Laboratory) that may
25 be relevant in performing duties under this Act.

1 (c) AUTHORIZATION OF APPROPRIATIONS.—There
2 are authorized to be appropriated to the Secretary of En-
3 ergy such sums as may be necessary to carry out this sec-
4 tion.

5 **SEC. 202. GUARANTEED POWER PURCHASE AGREEMENTS.**

6 (a) PUBLIC UTILITIES REGULATED UNDER THE
7 FEDERAL POWER ACT.—Part II of the Federal Power Act
8 is amended by adding the following new section after sec-
9 tion 210A (as added by this Act):

10 **“SEC. 210B. RENEWABLE ENERGY PAYMENTS.**

11 “(a) RENEWABLE ENERGY PAYMENT RULES.—Not
12 later than 2 years after the date of enactment of the Re-
13 newable Energy Jobs and Security Act, the Commission
14 shall prescribe, and from time-to-time thereafter revise,
15 such rules as it determines necessary to encourage the
16 purchase of electric energy by public utilities from renew-
17 able energy facilities. The rules shall require public utili-
18 ties to offer to purchase electric energy from renewable
19 energy facilities in accordance with this section at uniform
20 national rates established pursuant to this section. Each
21 such public utility shall purchase electric energy from re-
22 newable energy facilities on a priority basis, and each
23 transmitting utility shall transmit such energy to the ex-
24 tent practicable on a priority basis. Such rules shall be
25 prescribed, after consideration of recommendations made

1 in reports under section 201 of the Renewable Energy
2 Jobs and Security Act, after consultation with representa-
3 tives of State regulatory agencies having ratemaking au-
4 thority for electric utilities, and after public notice and a
5 reasonable opportunity for interested persons (and State
6 agencies) to submit data, views, and arguments. Such
7 rules may not authorize a renewable energy facility to
8 make any sale for purposes other than resale.

9 “(b) EFFECTIVE DATE.—The rules under this sec-
10 tion shall apply only to contracts for the purchase and sale
11 of electric energy from renewable energy facilities entered
12 into after the effective date of such rules and before the
13 date that is 20 years after such effective date.

14 “(c) RENEWABLE ENERGY PAYMENT RATES FOR
15 PURCHASE OF POWER.—

16 “(1) PURPOSES.—The purposes of this sub-
17 section are to—

18 “(A) provide for the development of renew-
19 able energy facilities that use available commer-
20 cialized technologies; and

21 “(B) set rates at a level that will—

22 “(i) provide reasonable rates of return
23 to the owners or operators of renewable en-
24 ergy facilities sited within regions that, on
25 average, experience the top 30th percentile

1 of a renewable energy resource potential in
2 the United States;

3 “(ii) prevent excessive profits for re-
4 newable energy facility owners and opera-
5 tors;

6 “(iii) minimize upward pressure on re-
7 newable energy market prices; and

8 “(iv) prevent unnecessary costs to
9 ratepayers.

10 “(2) UNIFORM NATIONAL RATES.—Except as
11 otherwise specified in this section, the rates paid for
12 the purchase of electric energy from renewable en-
13 ergy facilities under contracts entered into under
14 this section shall be established on a uniform na-
15 tional basis by the Commission by rule. Such rates
16 shall be—

17 “(A) fixed throughout the duration of a
18 contract extending for a period of at least 20
19 years;

20 “(B) no less than the amount needed for
21 development plus a reasonable profit, with con-
22 sideration to—

23 “(i) the renewable energy technology
24 used;

1 “(ii) the year the installation is placed
2 into service; and

3 “(iii) the size of the renewable energy
4 facility.

5 “(3) REASONABLE RATES OF RETURN.—Such
6 rates shall be set to provide a nominal, post-tax
7 project internal rate of return of not less than 8 per-
8 cent after recovery of all operating and maintenance
9 costs consistent with the purposes of this subsection.

10 “(4) BONUS TARIFFS.—Bonus rates may be
11 paid to provide additional incentives for each of the
12 following purposes:

13 “(A) Renewable energy facility develop-
14 ment in areas where distributed generation re-
15 duces grid congestion and improves overall grid
16 efficiency.

17 “(B) For energy delivered from renewable
18 energy facilities on peak.

19 “(C) To renewable energy facilities with
20 onsite energy storage capability that signifi-
21 cantly increases the capacity factor or avail-
22 ability.

23 “(D) To renewable energy facilities that
24 deliver electric energy combined with usable
25 heating, cooling, or a combination of both.

1 “(E) To renewable energy facilities owned
2 and operated by American Indian, Alaskan Na-
3 tive, or other tribal communities.

4 “(5) PERIODIC ADJUSTMENT.—The Commis-
5 sion shall review the rates under this subsection
6 every 2 years and adjust such rates applicable to
7 prospective contracts in accordance with paragraph
8 (2) and in a manner that is consistent with the pur-
9 poses of this subsection. Such rates shall be pub-
10 lished not later than 8 months prior to the date at
11 which they become applicable.

12 “(6) DEGRESSION RATES.—For new facilities
13 commencing construction in each year after the first
14 year for which tariffs under this section applied to
15 any facility, the tariffs rates paid under the rules
16 under this subsection may be reduced relative to the
17 previous year in accordance with annual tariff de-
18 gression rates. Such degression rate shall be specific
19 to each technology. Degression rates shall be pre-
20 determined and shall not apply with respect to facili-
21 ties already subject to a contract for a renewable en-
22 ergy payment.

23 “(7) PRIORITY.—The rules under this section
24 shall require each public utility to purchase and each
25 transmitting utility to transmit renewable energy

1 from renewable energy facilities to the extent prac-
2 ticable on a priority basis. Such requirement shall
3 not apply if the public utility or transmitting utility
4 is already committed through long-term contracts to
5 full capacity of its load and such utility has no abil-
6 ity to transmit any new generation from renewable
7 energy facilities to a neighboring utility. A public
8 utility shall not place priority on the purchase of
9 electric energy from renewable energy facilities that
10 are owned and operated by such utility over electric
11 energy from renewable energy facilities owned and
12 operated by customers.

13 “(d) RELIABILITY.—The rules under this section
14 shall include provisions respecting minimum reliability of
15 renewable energy facilities (including reliability of such fa-
16 cilities during emergencies) and rules respecting reliability
17 of electric energy service to be available to such facilities
18 from public utilities during emergencies. The rules shall
19 also insure that such purchases do not affect the reliability
20 of the purchasing public utility.

21 “(e) STANDARD CONTRACTS.—The Commission shall
22 approve a standard contract to be used in all power pur-
23 chase agreements under this section. Such contract shall
24 include the prices paid for each kilowatt-hour generated,
25 including bonus tariffs, and the duration of the contract.

1 In creating such contract, the Commission shall consider
2 the expedited procedures outlined in section 210A(b) in
3 order to design a contract that minimizes administrative
4 burdens. The Commission shall provide public utilities
5 subject to the jurisdiction of the Commission with stand-
6 ard contract not later than 18 months after the date of
7 enactment of this subsection.

8 “(f) RELATIONSHIP TO OTHER FEDERAL AND STATE
9 STANDARDS, REQUIREMENTS, TAXES, AND BENEFITS.—
10 Except for accelerated tax depreciation, no person who
11 elects to sell power under a contract under this section
12 shall be entitled to any tax credits or deductions associated
13 with renewable energy production under Federal tax laws
14 or to any other incentives or benefits under any Federal
15 law associated with renewable energy. Any State or utility
16 may provide additional incentives to promote the deploy-
17 ment of renewable energy facilities and, except as provided
18 in subsection (g) with respect to net metering, any renew-
19 able energy facility may utilize such benefits. No public
20 utility making purchases of electric energy under a con-
21 tract under this section shall be exempt from any State
22 law requiring minimum purchase percentages of renewable
23 energy. Any credit or allowance for renewable energy gen-
24 eration needed to meet any State or Federal law requiring
25 minimum purchases of renewable energy shall belong to

1 the public utility that purchases electric energy under a
2 contract under this section unless otherwise specified in
3 State or Federal law.

4 “(g) NET METERING.—If electric energy generated
5 by any renewable energy facility is eligible for net meter-
6 ing treatment under State law, all electric energy gen-
7 erated by such facility shall be subject to such State law
8 in lieu of this section unless the owner or operator of the
9 facility makes an election for such electric generation to
10 be subject to this section. For renewable energy facilities
11 interconnecting to public utilities within the jurisdiction
12 of the Commission, the election shall be submitted to the
13 Commission in such form and at such time as the Com-
14 mission shall prescribe by rule. The election shall include
15 notice to the appropriate State agency administering the
16 State net metering program.

17 “(h) PUBLIC REPORTING REQUIREMENTS.—By Sep-
18 tember 30 of each calendar year after 2010, each public
19 utility shall publicly report to the Energy Information Ad-
20 ministration without undue delay the following informa-
21 tion recorded during the previous calendar year:

22 “(1) The network upgrade costs associated with
23 compliance with the standards under section 210A
24 of this Act.

1 “(2) The total quantity of electric energy gen-
2 erated by a specific renewable energy facility and the
3 total amount paid to each such renewable energy fa-
4 cility operator in accordance with the rules under
5 this section.

6 “(3) The total quantity of electric energy gen-
7 erated by each renewable energy technology and the
8 total amounts paid to renewable energy facility oper-
9 ators that use each such renewable energy tech-
10 nology in accordance with the rules under this sec-
11 tion.

12 “(4) The total number of renewable energy fa-
13 cilities of each technology in the area in which the
14 public utility supplies electric energy.

15 “(5) For each technology, the amount of growth
16 in capacity installed relative to the number of new
17 interconnections in the area in which the public util-
18 ity supplies electric energy.

19 “(6) The total amount of electric energy gen-
20 erated by renewable energy facilities and from other
21 renewable energy sources in the area in which the
22 public utility supplies electric energy.

23 “(7) The location of new renewable energy facil-
24 ity development relative to population density in the

1 area in which the public utility supplies electric en-
2 ergy.

3 “(i) REPORTS BY THE ENERGY INFORMATION AD-
4 MINISTRATION.—In each of the first 2 years and every 2
5 years thereafter after the date of enactment of this sec-
6 tion, the Secretary of Energy, acting through the Energy
7 Information Administration, shall make public and submit
8 to Congress a report that shall include the number of new
9 renewable energy facilities in each State and the environ-
10 mental benefits and effects of the addition of such facili-
11 ties. There are authorized to be appropriated to the Sec-
12 retary of Energy such sums as may be necessary to carry
13 out this subsection.

14 “(j) EXEMPTIONS.—

15 “(1) IN GENERAL.—Except as provided in para-
16 graph (2), sales of electric energy by renewable en-
17 ergy facilities under this section are exempt from
18 regulation under other provisions of this Part and
19 from State laws and regulations respecting the rates,
20 or respecting the financial or organizational regula-
21 tion, of electric utilities, or from any combination of
22 the foregoing.

23 “(2) EXCEPTIONS.—No renewable energy facil-
24 ity shall be exempt under this subsection from—

1 “(A) the provisions of section 210, 211, or
2 212 of this Act or the necessary authorities for
3 enforcement of any such provision under this
4 Act; or

5 “(B) any license or permit requirement
6 under part I of this Act, any provision under
7 this Act related to such a license or permit re-
8 quirement, or the necessary authorities for en-
9 forcement of any such requirement.

10 “(k) FEDERAL CONTRACTS.—No contract between a
11 Federal agency and any electric utility for the sale of elec-
12 tric energy by such Federal agency for resale which is en-
13 tered into after the date of the enactment of this sub-
14 section may contain any provision that will have the effect
15 of preventing the implementation of any rule under this
16 section with respect to such utility. Any provision in any
17 such contract which has such effect shall be null and
18 void.”.

19 (b) ELECTRIC UTILITIES NOT REGULATED BY
20 FERC.—Section 113 of the Public Utility Regulatory
21 Policies Act of 1978 (16 U.S.C. 2623), as amended, is
22 further amended as follows:

23 (1) By adding the following new paragraph at
24 the end of subsection (b):

1 “(7) STANDARD CONTRACTS FOR POWER PUR-
2 CHASES FROM RENEWABLE ENERGY FACILITIES.—
3 Each electric utility shall purchase electric energy
4 from renewable energy facilities (as defined in the
5 Federal Power Act) under standard contracts for a
6 20-year period with rates that are the same as in
7 the case of purchases of electric energy under con-
8 tracts under section 210B of the Federal Power Act
9 by public utilities subject to the jurisdiction of the
10 Commission under that Act.”.

11 (2) By adding the following at the end of sub-
12 section (a):

13 “For purposes of applying this section in the case of the
14 standard under paragraph (7) of subsection (b), in lieu
15 of the 2-year period referred to in this section there shall
16 be substituted a period of one year after the date on which
17 renewable energy payment rules are prescribed or revised
18 by the Commission under section 210B of the Federal
19 Power Act.”.

20 (c) FEDERAL CONTRACTS FOR RENEWABLE EN-
21 ERGY.—Notwithstanding section 501(b)(1)(B) of title 40,
22 United States Code, a contract for the acquisition of elec-
23 tric energy generated from a renewable energy resource
24 for the Federal Government may be made for a period
25 of not more than 20 years.

1 **SEC. 203. REGIONAL COST SHARING MECHANISM.**

2 Part II of the Federal Power Act is amended by add-
3 ing the following new section at the end thereof:

4 **“SEC. 224. REGIONAL COST SHARING MECHANISM.**

5 “(a) PURPOSE.—The purpose of this section is to fi-
6 nance the power purchase agreements under the rules
7 under section 210B (and under the corresponding stand-
8 ard required by section 113(b)(7) of the Public Utility
9 Regulatory Policies Act of 1978) and interconnection and
10 network upgrades referred to in section 210A (and under
11 the corresponding standard under section 113(b)(6) of the
12 Public Utility Regulatory Policies Act of 1978) by creating
13 a cost sharing mechanism that equally distributes addi-
14 tional costs of compliance with the Renewable Energy
15 Jobs and Security Act to electric energy customers on a
16 regional basis.

17 “(b) COST SHARING.—Not later than 1 year after the
18 date of enactment of this section, the Commission shall,
19 in consultation with State regulatory authorities and non-
20 regulated utilities, design a regional cost redistribution
21 mechanism that shall consist of a nonbypassable system
22 benefits charge payable by every end-use consumer of an
23 electric utility to the electric utility. Revenue from such
24 charge shall be transferred to a national renewable energy
25 corporation to be referred to as the ‘RenewCorps’ to be
26 established by such utilities and approved by the Commis-

1 sion for purposes of this section. The Commission shall
2 design a system benefits charge, determine the amount of
3 such charge, and establish a cost distribution mechanism
4 so as to achieve each of the following:

5 “(1) Full reimbursement to electric utilities and
6 transmitting utilities for the costs associated with
7 network upgrades and interconnection (including the
8 carrying costs of capital while awaiting reimburse-
9 ment) carried out in accordance with the standards
10 under section 210A of this Act and section
11 113(b)(6) of the Public Utility Regulatory Policies
12 Act of 1978 and for the additional costs of the
13 power purchase requirements of section 210B of this
14 Act and section 113(b)(7) of the Public Utility Reg-
15 ulatory Policies Act of 1978.

16 “(2) Ensure that systems benefits charges are
17 based on energy usage.

18 “(3) Ensure that monthly charges shall apply
19 to customers according to projected program costs.

20 “(4) Ensure that monthly charges to individual
21 households is no greater than \$3 per month.

22 “(5) Ensure relief, but not exemption, for elec-
23 tric energy intensive facilities, by including a provi-
24 sion requiring such facilities to submit an applica-
25 tion for relief, including proof of electric energy

1 usage (such as contracts for the supply of electric
2 energy and electric energy bills for the previous fis-
3 cal year) and proof of the value of shipments (by
4 supplying financial data from the previous fiscal
5 year compiled by a certified accountant).

6 “(c) COMPLIANCE WITH ACCOUNTING RULES.—
7 RenewCorps shall comply with such accounting rules and
8 other rules as may be established by the Commission.

9 “(d) REGIONAL DISBURSEMENT OF FUNDS.—

10 “(1) REIMBURSEMENT.—Funds received by
11 RenewCorps from the systems benefits charge under
12 this section shall be disbursed to electric utilities and
13 transmitting utilities to provide reimbursement for—

14 “(A) the costs associated with network up-
15 grades and interconnection carried out in ac-
16 cordance with the standards under section
17 210A and section 113(b)(6) of the Public Util-
18 ity Regulatory Policies Act of 1978; and

19 “(B) the additional costs of the power pur-
20 chase requirements of section 210B and section
21 113(b)(7) of the Public Utility Regulatory Poli-
22 cies Act of 1978 to reimburse such utilities for
23 the full additional cost of such power purchase
24 agreements (as adjusted under paragraph (3)).

1 “(2) QUARTERLY DISBURSEMENT.—Funds re-
 2 ceived by RenewCorps from the systems benefits
 3 charge under this section shall be disbursed on a
 4 quarterly basis. The Renew Corps shall distribute
 5 such revenue to electric utilities within each region
 6 of the North American Electric Reliability Corpora-
 7 tion (NERC) in the United States in proportion to
 8 the revenue raised within each such region.

9 “(3) AVOID DOUBLE COST RECOVERY.—Reim-
 10 bursements from RenewCorps to electric utilities and
 11 transmitting utilities for costs associated with com-
 12 pliance with the Renewable Energy Jobs and Secu-
 13 rity Act may not also be eligible for recovery by any
 14 other means.”.

15 **SEC. 204. CONSISTENCY WITH ENVIRONMENTAL LAWS.**

16 Nothing in this Act (including the amendments made
 17 by this Act) shall be deemed to waive any existing Federal
 18 or State environmental protection provision, including the
 19 requirements of any of the following:

20 (1) The National Forest Management Act of
 21 1976 (16 U.S.C. 472a et seq.).

22 (2) The Endangered Species Act of 1973 (16
 23 U.S.C. 1531 et seq.).

24 (3) The National Environmental Policy Act of
 25 1969 (42 U.S.C. 4321 et seq.).

1 (4) The Federal Water Pollution Control Act
2 (33 U.S.C. 1251 et seq.).

3 (5) The Federal Land Policy and Management
4 Act of 1976 (43 U.S.C. 1701 et seq.).

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